

PALOMAR AIRPORT ADVISORY COMMITTEE

Thursday, September 20, 2007

AGENDA ITEM #5

PALOMAR AIRPORT CENTER, LLC (LEASE 4) SECOND AMENDMENT TO AVIATION LEASE NEGOTIATED RENTAL ADJUSTMENT

On December 11, 2002 (13), the Board approved a thirty-year aviation lease with Palomar Airport Center, LLC, a California limited liability company for 3.37 acres at McClellan-Palomar Airport. Palomar Airport Center, LLC is a full-service Fixed Base Operator with five separate leaseholds at McClellan-Palomar Airport. This Leasehold is located in a landfill-impacted area and permits the placement of up to fifty-three (53) portable T-hangars ("port-a-ports").

The Lease was previously amended on December 6, 2006 to extend the term by ten (10) years.

County Airports worked with both the Master Lessee (Palomar Airport Center, LLC) and, indirectly, the Sublessee who occupies the entire Premises (Palomar Airport Pilots Association, LLC) in negotiating the following rent for this landfill-impacted area. Both have accepted the proposed rent.

Second Amendment to Aviation Lease (County Contract No. 75630R)

The proposed second amendment to this Lease will amend the rental section to reflect the current negotiated market rent of \$1,594.59 per acre per month (landfill impacted land value at 77.93% of full value for non-landfill impacted land) and set a new base rent for annual cost of living adjustments.

Palomar Airport Center, LLC currently pays \$ 4,266.02 per month in base rent for this Lease. Approval of the proposed Second Amendment will raise the base monthly rent to \$5,373.77 effective January 1, 2008. The base monthly rent will be subject to annual cost of living adjustments.

Recommended Motion

"Palomar Airport Advisory Committee recommends that the Board of Supervisors approve the Second Amendment to Aviation Lease between the County of San Diego and Palomar Airport Center, LLC (County Contract Number 75630R)."